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News Release

JEFFERSON COUNTY RESIDENTS INDICTED ON INSURANCE FRAUD CHARGES
Company allegedly underpaid workers' comp premiums by more than \$268,000

FRANKFORT, Ky. (Oct. 30, 2007) – Three Jefferson County residents were indicted Oct. 23 on insurance fraud charges after allegedly filing inaccurate payroll data with a workers' compensation insurance carrier, resulting in an underpayment of more than \$268,000 in premiums.

In addition, the trio formed a second company, placed the majority of workers on that payroll, and did not purchase workers' compensation insurance. When an injury occurred, the hurt worker allegedly was moved within a few days to the payroll of the entity with insurance, and a workers' compensation claim was filed.

Daniel English, 43, of Fisherville, and Thomas English, 40, and Beth Ann McGill, 47, both of Crestwood, each were charged with one felony count of insurance fraud. The case was investigated by the Kentucky Office of Insurance (KOI) Fraud Investigation Division.

According to the insurer, Kentucky Employers' Mutual Insurance (KEMI), the companies involved were The Framing Corp. and The Second Framing Corp. The underpayment of premiums occurred from March 2001 to June 2002.

"Workers' compensation premiums are a large part of the cost of doing business, and the total payroll of a company is a major factor in determining the premium," said KOI Executive Director Julie Mix McPeak. "We aggressively pursue cases like this because fraud by a relatively few companies raises the cost of workers' compensation insurance for all businesses in Kentucky."

If convicted, the defendants face a maximum penalty of five years in prison, a fine of \$10,000, or both.

The Office of Insurance is an agency of the Department of Public Protection in the Environmental and Public Protection Cabinet.